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BIWEEKLY REPORT

**SINO-SOVIET BLOC
ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

**EIC-WGR-1/47
25 November 1957**

**PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events
8 - 21 November 1957

The announcement of an agreement providing for Soviet economic assistance to Egypt was the most significant event affecting the economic relations between the Sino-Soviet Bloc and the underdeveloped countries of the Free World during the period 8 - 21 November 1957. Egyptian sources report that the USSR will extend a line of credit of about \$175 million upon which Egypt can draw to carry out specific development projects.

The USSR also reached an agreement with India on the utilization of the \$126-million credit which the Soviet government offered to India in November 1956. These credits, which will be available for use in 1959, will enable the Indian government to construct a heavy machine-building plant, an optical glass works, and a thermal power station as well as various installations connected with the coal industry.

Ceylon and the USSR are apparently taking steps to implement the terms of their joint communiqué of September 1956 in which each government agreed to develop trade relations with the other and in which the USSR agreed to grant economic assistance to Ceylon.

The countries of the Sino-Soviet Bloc are currently directing considerable effort and expense toward the establishment of closer fraternal relations between their trade unions and the non-Communist labor movements of Africa and Asia. Beyond this, the Communists are also promoting stronger ties among the Afro-Asian unions themselves. This latter campaign has reached a point at which Communist-dominated unions are being sacrificed in order to conceal the potential subversiveness of Communist international labor tactics.

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